

LWF



WtrRes/Planning

July 22, 2005

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Mr. Paul Dabbs  
Chief, Resources Evaluation Section  
Department of Water Resources  
901 P St, 2nd Floor  
Sacramento, CA 95816

Dear Mr. Dabbs:

The Kern County Water Agency (Agency) is pleased to provide comments on the California Water Plan – Update 2005 (“Plan” or “Update 2005”). We wish to congratulate the Department of Water Resources (DWR) staff that had a role in developing the Plan. It is a remarkable work that provides a tremendous amount of drill-down detail in the five volumes. Lloyd Fryer of my staff was a member of your Advisory Committee and the Agency wants to express its appreciation for allowing us to participate in this manner.

Conversion of the Plan from an engineering gap analysis to a strategic plan aimed at assisting regions to develop integrated regional management plans demonstrates recognition of the realities of today: most water supply planning is happening at the local level. Also, the use of real data for recent dry, normal and wet years is appreciated. This augments the information found in previous updates, which were based on normalized analyses, on the opportunities for water management.

DWR’s use of electronic media for communication throughout the update process deserves a round of applause. E-mail and the Internet are commonly used in offices everywhere. DWR’s widespread use of these media led to a high degree of transparency in the process and the products. Update 2005 should serve as a template for other State agencies in their planning processes.

The Agency would also like to commend DWR for its efforts to develop the Water Plan Information Exchange (Water PIE). As this product matures, it will provide local agencies with many tools and data sets needed to improve water management planning.

The Association of California Water Agencies (ACWA) recently released a document entitled “No Time to Waste – A Blueprint for California Water” (Blueprint). The Agency feels this Blueprint contains useful recommendations for the California Water Plan. The Blueprint was developed by a large number of recognized experts in water policy and operations throughout California. The Agency recommends that DWR incorporate the recommendations of the ACWA Blueprint into Update 2005.

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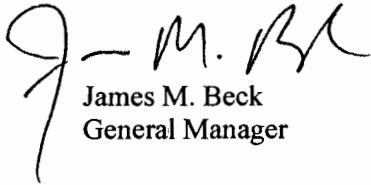
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The Agency's comments fall into two categories: General Comments and more specific detailed comments. Both of these are attached.

Thank you for the opportunity to provide comments on Update 2005. If you have any questions, feel free to contact Lloyd Fryer of my staff at (661) 634-1446.

Sincerely,

A handwritten signature in black ink, appearing to read "J-M. Beck". The signature is stylized with a large, looped "J" and a cursive "Beck".

James M. Beck  
General Manager

xc: KCWA Board of Directors  
Kern County Water Districts

## KERN COUNTY WATER AGENCY Comments on California Water Plan – Update 2005

### General Comments

First, Update 2005 appears to overestimate the effect of integrated regional water management planning (integrated planning) on bridging the gap between supplies and demands. Having an initiative that encourages implementation of integrated planning is an important step toward balancing resource utilization and managing expectations. In fact, the Agency's enabling legislation in 1961 is an excellent example of integrated planning on a regional basis that includes all sources and demands for water. However, as hard as the Agency works to implement a regional approach to water management, the efforts have not been enough to avoid water supply shortages. California needs to invest in more water supply facilities in order to meet its contractual water supply obligations.

Considering this, the Agency notes that the second initiative involves improving Statewide water management systems, which embodies the goals of providing reliable supplies and sustaining the Delta ecosystem. The CALFED Bay-Delta Program has never articulated what is meant by providing reliable supplies. In fact, the phrase means different things to different people. Update 2005 should jettison this jargon and say specifically what it means in this regard. The Agency offers "provide adequate water supplies" as an alternative phrasing that is clear and understandable.

There are a number of State and federal regulations governing operation of the State and federal water projects. Some of these standards are inflexible (i.e., X2), some may not be biologically justifiable (i.e., ramping flows during wet years), while others may be out of date (i.e., Corp. of Engineers navigation standards). The State should be at the forefront of encouraging scientifically valid examinations on whether such regulations cost water without demonstrable or justifiable benefits. Elimination or modification of such standards might yield more water than any integrated management actions taken at the local level, and even exceed the yield of some CALFED storage projects. The recommendations say nothing about the State taking such a role. This absolutely must be added to the recommendations for the second initiative.

The mission statement of Update 2005 has the wrong focus, which affects much of the content of the document. The current mission statement for Update 2005 is, "To develop a strategic plan that guides State, local, and regional entities in planning, developing, and managing adequate, reliable, secure, affordable, and sustainable water of suitable quality for all beneficial uses." If the overarching reason for Update 2005's existence is solely to develop a strategic plan, then it is missing the real point. The mission should be restated to emphasize that Update 2005's overarching purpose is to guide the State's efforts to retool itself in such a way that it can provide the resources necessary to support regions in their integrated regional water management. Objectives would then include changes needed within the State to accomplish this, and actions aimed at encouraging integrated planning and methods of doing so. The Agency offers the following rewritten mission statement.

By the next California Water Plan Update, retool State government to provide the necessary resources for local and regional entities to plan, develop and implement integrated water management plans that result in adequate, reliable, secure, affordable, and sustainable water of suitable quality for all beneficial uses.

The retooling should not be over an indefinite period of time. It needs to be done in the short-term in order to achieve the rest of the mission statement. The mission of Update 2005 isn't to develop a strategic plan; it is the strategic plan. The mission is to get locals to come up with integrated plans.

Next, the Plan contains a significant discussion on User Fees and the concept of "beneficiary pays." In this regard, the Plan gives the perception, although not intentionally, that State and federal water contractors somehow have not paid their fair share of the costs to construct and operate the State Water Project (SWP) and the Central Valley Project (CVP) facilities. To help avoid this perception, the Plan should include a thorough discussion on how the SWP and the CVP are funded by water users. For example, page 2-13 of Volume 1 discusses a benefits-based approach where costs are paid by beneficiaries. The Plan must recognize SWP and CVP contractors' past and future payments for the benefits received from the associated water projects, including mitigation costs. The Agency feels the SWP, in its current configuration and as currently operated, is fully mitigated.

#### Specific Comments – Highlights

On page 4 of the highlights document, the graph "2030 Water Demand Changes by Scenario" seems to send an incorrect message. The graph for the Tulare Lake region shows water demands decreasing under all three scenarios. The messages that this graph sends are twofold: (1) the State's overall water needs under the Current Trends and Less Resource Intensive scenarios will be met by reductions in demands from the Tulare Lake region; and (2) the best thing for the Tulare Lake region to do is the no-action alternative, in terms of overall water demands. The graph needs additional explanation to prevent misinterpretation.

In addition, the highlights document, or somewhere in Volume 1, should provide additional tables to show the actual numbers that went into the scenarios, i.e., irrigated acres. This will allow better evaluation of the scenarios. For instance, in the Tulare Lake region, the primary changes to irrigated acreage (the largest single water using sector, by far) are reductions driven by urban expansion and changes from lower water using crops to higher water using crops. Given the above changes, it is not intuitive why 2030 water demands are significantly reduced under all three scenarios.

#### Volume 1, Chapter 2 – A Framework for Action

The Agency has several comments regarding the first initiative, "Promote and Implement Integrated Regional Water Management." The text suggests that large, interregional water projects that were constructed in the past will play only a facilitative role in meeting future water supplies. The text should be revised to clearly indicate that the interregional water projects will continue to play an important role in meeting present and future water supplies, and will facilitate regional planning initiatives.

Language on page 2-6 of Volume 1 suggests integrated management is the best approach to protect the environment and manage urban growth. If the purposes of integrated management are to accomplish just these, there will be resistance from both agricultural and urban entities. From a regional perspective, the primary purpose of integrated management is to provide for current and projected consumptive uses, while protecting the environment. Update 2005 should not suggest that environmental protection is the primary goal of integrated management, nor that water can be used as a tool for controlling urban growth.

Diversification of regional water portfolios is a sound planning strategy. The Water Plan describes a balanced portfolio as one that increases water use efficiency and maximizes return on investment, because to do otherwise would be a waste of water. This is a poor description of a balanced portfolio. A balanced portfolio is one that balances water supplies and demands such that one equals the other. The means for achieving this may include water use efficiency as one of many actions that could be implemented.

Language on page 2-7 suggests that water is currently being wasted or that resources are going down the drain. This language should be removed because it sends the wrong message about current water uses.

On page 3-16 of Volume 1, in the last paragraph “Kern County Water Authority” should be changed to “Kern County Water Agency.”

Under the near-term actions to implement the first initiative, the Delta Improvements Program is missing from the list of actions. We believe this program is an integral part of the actions to resolve numerous conflicts in the Delta and clearly is a regional solution. It contains actions that will create opportunities to improve water supplies for both consumptive and environmental uses, improve Delta water quality, protect the Delta levee system, and achieve additional ecosystem restoration.

The second initiative embodies the goals of providing reliable supplies and sustaining the Delta. The Delta is an unsustainable environment at present. As long as agricultural activities continue to cause subsidence of the farmed islands, the risk of natural or catastrophic failure of the region will increase. Failure of the Delta’s levee systems has huge implications for water project operations as well as the environment. The ACWA Blueprint recommends the Governor appoint a Blue Ribbon Commission to evaluate the Delta’s long-term vulnerability and recommend actions by the end of 2006 to reduce risks. This should be adopted into Update 2005.

With respect to investing in new water technology, Update 2005 properly places emphasis on research and development. In order to eliminate duplications, Update 2005 should consider how this research will fit with CALFED’s science program and the Interagency Ecological Program.

#### Volume 1, Chapter 3 – California Water Today

Under the Challenges section it reads, “The biggest challenge for California water resources remains making sure that water is in the right places at the right time.” Table 3-1 “California Water Balance Summary” shows that the net storage changes in the State range from a 5.8 million acre-feet (MAF) increase (wet year) to a 5.8 MAF decrease (normal year) to a 14.3 MAF decrease (dry year). This suggests that the State’s water supply is truly deficient only in dry years. Total uses, outflows and evaporation are 331.1 MAF in a wet year. The Agency notes that none of the actions addresses how to deliver more of the 331.1 MAF in a wet year. Capturing only five percent of this water in wet years would essentially resolve the problem. A recommendation should be added that directs the State to evaluate where there are bottlenecks in the water supply systems and what can be done to relax the bottlenecks so that more water can be captured in wet years. Bottlenecks could include capacity (i.e., H.O. Banks pumping capacity during key seasons), regulations (e.g., inflexible environmental standards, inefficient review processes and unnecessary CEQA/NEPA hurdles for administrative practices), lack of storage capacity (either surface or groundwater), lack of watershed understanding, etc.

#### Volume 1, Chapter 5 – Implementation Plan

Under Recommendation 1 – Diversify Regional Water Portfolios, the action plan should include reference to the State addressing the question of whether certain regulations cost water without generating demonstrable or justifiable benefits, and whether any of these can be modified or eliminated in order to increase water supplies without impacting water quality, fisheries and habitat in the Bay-Delta region (e.g., X2, Corp. of Engineers navigation standards).

Under Recommendation 2 – Promote and Implement Integrated Water Management, it is not clear how the action plan will “empower” local agencies to implement integrated resource plans. This jargon should be dropped.

The fourth item under the action plan is unnecessary and should be deleted. Giving preferential treatment for bond funding to agencies that already have integrated regional water plans, while at the same time promoting development of integrated regional water plans is disingenuous. It is a disincentive rather than an incentive because it penalizes those who have not yet developed integrated plans. This could end up stifling implementation of good projects that are consistent with integrated planning while regions are working on their integrated plans. State agencies could provide a 10-year time period for phasing in the preferential treatment.

Reference to protecting public trust resources and promoting efficient, beneficial water use should be deleted from the fifth item in the action plan. These are two strategies that should be evaluated in an integrated resource plan, but are not purposes in themselves.

Under Recommendation 3 – Improve Water Quality, DWR proposes to work with State, federal and local agencies to deal with surface and groundwater contamination, with the emphasis on State and federal agencies. In order to assure an unbiased analysis involving regulatory agencies, the Agency suggests the State use independent researchers to evaluate the water quality data housed by the various agencies. In addition, due to precautions taken after 9/11, it is increasingly difficult for local agencies to obtain water quality data for individual wells. Local agencies should continue to be provided access to such data stored in State databases in order to improve understanding of groundwater conditions within their jurisdiction. This will lead to better integrated water management plans.

Under Recommendation 4 – Maintain and Improve Aging Statewide Water Infrastructure, why isn't obtaining a new FERC license for Oroville power facilities given a high priority? This is certainly a high priority for the SWP contractors. Also, the action plan assumes DWR will continue to operate and maintain the entire SWP system. The Agency suggests adding a bullet to the action plan for the State to consider a partnership with SWP Contractors to transfer the operations and maintenance activities to the Contractors in achieving this recommendation. This would likely lead to better efficiencies, which could lead to increasing local funding available for integrated resources management. Many years ago the United States Bureau of Reclamation realized the benefits of turning over operations and maintenance of portions of the CVP system to its contractors. This is a success story that should be seriously evaluated by the State for its applicability.

Under Recommendation 5 – Implement the CALFED Program, reference to a long-term Environmental Water Account (EWA) should be dropped from the action plan and the intended outcomes. The current agreement is to extend the EWA for three years, until the end of Stage 1 of CALFED. Update 2005 should not advocate for a long-term EWA since CALFED has not completed the necessary in depth review that is called for in the Record of Decision. To advocate the EWA as a long-term necessity at this early date could be construed as pre-decisional. A more appropriate outcome would be for CALFED to complete a comprehensive review of the EWA as called for in the CALFED Record of Decision and the South Delta Improvement Program memorandum of understanding. Without a comprehensive review, it is unknown whether the EWA is biologically justifiable and financially cost-effective.

Under Recommendation 6 – Provide Effective State Government Leadership, Assistance and Oversight, none of the listed actions directly address the need to plan for the orderly development of the State's water supplies to meet consumptive uses. Instead, the recommendation suggests the State will only do

such water planning to the extent it leads to restoration and protection of watersheds, or assesses instream flow demands needed to protect ecosystems. This recommendation should be reworded to include consumptive uses.

Under Recommendation 7 – Clarify State, Federal, and Local Roles and Responsibilities, the intended outcome currently references a need by the State to redefine the respective roles, authorities and responsibilities of State and local agencies responsible for water. The outcome should really be to identify the interrelationships and any conflicting roles of State and local agencies in order to better understand the kinds of State/local partnerships that can be undertaken to meet the water needs of a growing population.

Recommendation 8 – Develop Funding Strategies and Clarify Role of Public Investments, mentions the need to develop funding strategies based on the principle of beneficiary pays and the need for user fees. This needs to be restated to connect user fees to benefits received rather than just beneficiary pays. To date, most of the discussion about user fees related to CALFED has been oriented toward users paying fees without linkage to actual benefits.

Under Recommendation 9 – Invest in New Water Technology, DWR should be very careful to not duplicate research and development efforts that are being pursued by other organizations, such as the federal government, academia and industry-sponsored research.

Recommendation 10 – Adapt for Global Climate Change Impacts, is somewhat misdirected. Update 2005 briefly discusses climate change as a possible factor that may impact future water supplies and demands. It does not make it clear what DWR's role in predicting causes and effects of climate change are. Many research institutions are presently involved in studying climate change; therefore, it does not seem necessary for DWR to participate in this research, nor to have a staff position dedicated to studying climate change. Also, future California Water Plan updates will undoubtedly consider climate change more fully and contain clear recommendations on what DWR's role should be in this regard. DWR does have a clear interest in evaluating management responses to the potential impacts of climate change on the State's hydrology. The Agency believes DWR has existing planning staff to fulfill this function at this time.

Recommendation 13 – Increase Tribal Participation and Access to Funding, can safely be dropped because it is really an administrative matter. Also, the State should determine what role, if any, it should have in water concerns of federally recognized tribes, since these operate as sovereign entities with the Federal government.

#### Volume 3, Chapter 8 – Tulare Lake Hydrologic Region

On page 8-6, "Kern County Water Authority" should be changed to "Kern County Water Agency" in the third paragraph.

On page 8-3-11, in the second paragraph after the words "Water Conveyance Infrastructure Improvement Program," insert the words "administered by the Kern County Water Agency."

On page 8-12 in the last paragraph, the first sentence should read, "As part of the Kern County Water Agency's Kern River Restoration and Water Supply Improvement Program,"....

On page 8-13 add the following language, "Several water districts within the Tulare Lake region have developed groundwater storage and recovery programs, that benefit districts outside the region."

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Groundwater overdraft has created sufficient dewatered groundwater storage space to store water for local uses and for others. Revenues generated by these storage and recovery programs have helped finance additional conveyance infrastructure to move surface water to areas that were previously served with groundwater. This ultimately helps to relieve overdraft.”

On page 8-14 in the last paragraph, the first sentence should read “...Proposition 204 will be used to enhance the Kern County Water Agency’s Pioneer Project.”

On page 8-15, the reference to “Proposition 24” should read “Proposition 204.”

On pages 8-16 through 8-19 where the water portfolios are discussed, it is not clear whether the portfolios cover calendar years or water years. We suggest that DWR carefully check the language to ensure consistency in usage of terms.

On page 8-17 in the last paragraph, total agricultural applied water use is shown as 9.7 million acre-feet, but total agricultural use is shown as 10.8 million acre-feet. The same problem occurs for the year 2001.

On page 8-23, Table 8-1 refers to water years in the column headings, but the footnote suggests the table is based on Spring to Spring measurements, which are neither calendar year nor water year. Is there a need to reconcile these? Also, for 2001, the percent normal precipitation is closer to 50%, rather than the 87% shown.